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From: Avi Tiomkin <ATiomkin@atglobalcap.com>
Subject: Fw: Batista Seen Divesting Most Assets in Fire Sale, UBS Says (1
Date: July 25, 2013 9:58:12 PM GMT+03:00
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----- Original Message -----

From: Avi Tiomkin
Sent: Tuesday, July 23, 2013 02:46 PM Eastern Standard Time
To: 'Ehbarak1@gmai.com' <Ehbarak1@gmai.com>
Cc: 'nilipr@netvision.net.il' <nilipr@netvision.net.il>
Subject: Fw: Batista Seen Divesting Most Assets in Fire Sale, UBS Says (1

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From: STEPHEN E KLEIN (AT GLOBAL CAPITAL LP) [<mailto:klein5@bloomberg.net>]
Sent: Tuesday, July 23, 2013 01:15 PM Eastern Standard Time
To: Avi Tiomkin; Dov Glickman
Subject: Batista Seen Divesting Most Assets in Fire Sale, UBS Says (1

Sent from Bloomberg Anywhere for iPhone

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Batista Seen Divesting Most Assets in Fire Sale, UBS Says (1)
2013-07-23 16:44:24.623 GMT

(Updates with share prices in seventh paragraph,
Petroliam's purchase in eighth paragraph.)

By Juan Pablo Spinetto

July 23 (Bloomberg) -- Eike Batista, the billionaire whose wealth shrank by more than \$30 billion, is expected to put most assets on sale, triggering interest from buyers that may include Keppel Corp. and EON SE, UBS AG said.

LLX Logistica SA, Batista's port developer unit, and OSX Brasil SA, his shipping venture, are the most interesting assets

for companies seeking fire-sale purchases to expand in Brazil, UBS analysts including Lilyanna Yang said in a note today. While the billionaire's holding company, EBX Group Co., is expected to find buyers for many of its assets, the price is likely to be "lower than fair value," they said.

"The group seems to us to be in such financial difficulty that suggestions of a fire sale appear to make sense," the UBS analysts said in the note, titled "Is there anything left for EBX investors?" "A seller under financial stress is very rarely able to raise the fair value of its assets under fire-sale."

Batista, the world's eighth-richest person in March 2012, lost more than \$30 billion of his fortune after failure to meet output and profit targets prompted a selloff of shares in his Rio de Janeiro-based energy, commodities and logistics units. The billionaire is now divesting assets, restructuring debt and trimming projects as he faces investors' complaints.

Keppel, Sembcorp

Singapore-based Keppel and Sembcorp Marine Ltd., the world's two-biggest oil-rig makers, may be interested in bidding for OSX's shipyard in Rio state, according to UBS. Germany's EON may be eyeing natural gas blocks owned by Batista's oil unit OGX Petroleo & Gas Participacoes SA, it said.

EBX declined to comment on the UBS note when contacted by Bloomberg News today. Josef Nelles, a spokesman at EON in Dusseldorf, Germany, declined to comment on a possible interest in OGX's Parnaiba fields. E-mails sent after regular working hours in Asia to Keppel and Sembcorp press officials were unanswered.

LLX rose 5.4 percent to 97 centavos at 1:10 p.m. in Sao Paulo trading, heading towards its highest close since June 28. OSX advanced 1.7 percent and OGX jumped 7.6 percent.

Petrolia's Purchase

OGX, whose market value collapsed to the current 1.72 billion reais (\$773 million) from as much as 75.2 billion reais in 2010, isn't expected to sell additional oil assets after agreeing in May to divest 40 percent of an offshore field to Malaysia's Petrolia Nasional Bhd., UBS said. Brazilian companies and private equity groups are also buying candidates for EBX assets, the analysts said.

"The caveat is that the timing is unclear, and might include lengthy negotiations, which could involve banks and creditors, as well as Eike Batista himself," UBS said about potential asset sales.

Batista, 56, said in an opinion piece in newspaper Valor Economico on July 19 that auditors are partly to blame for building up shareholder expectations of his companies. He also said he regrets taking his companies public, adding that he will pay back all his debts.

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--With assistance from Tino Andresen in Dusseldorf. Editors:
Robin Saponar, Jasmina Kelemen

To contact the reporter on this story:

Juan Pablo Spinetto in Rio de Janeiro at +55-21-2125-2519 or
jspinetto@bloomberg.net

To contact the editor responsible for this story:

James Attwood at +56-2-2487-4019 or
jattwood3@bloomberg.net